

Financial Results

FY2017 1st Quarter

Nippon Television Holdings, Inc.
July 28, 2017

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Viewer Ratings

Overview of Financial Results 2017 1Q

Highlights of Group Companies

Forecast for FY2017

Stellar Viewing Ratings

Point
1

Nippon TV Captures April Cour Triple Crown Title

① Triple crown winner for 43 consecutive months from Dec 2013 to July 2017

→ Triple crown weekly winner for 189 consecutive weeks from Dec 9th week (setting a record for commercial broadcasters)

② Network affiliate broadcasters also enjoy high viewership

→ Triple crown victory for 24 out of 26 Nippon TV regional network broadcasters

③ Solid results for both household and individual viewer ratings

→ successfully captured viewership of demographic most-targeted by our sponsors

Point
2

Captured high ratings around the clock

① First place in “Platinum” and “Non-Prime” timeslots put us on top spot for entire day

② “Prime Time” and “Golden Time” cour average is 2% higher than second-ranked station

Point
3

On track for fiscal year 2017 Triple Crown Title victory

(July 23, 2017)

Viewer Ratings (April Cour)

April 3, 2017 – July 2, 2017

	Nippon TV	EX	TBS	TX	CX	Difference between EX (YoY)	HUT
All Day	① 7.9	7.2	6.0	2.8	5.6	+0.7	39.6
6:00 to 24:00	(-0.3)	(±0.0)	(±0.0)	(±0.0)	(-0.1)	(-0.3)	(-0.9)
Prime Time	① 11.7	9.4	9.6	6.2	7.5	+2.1	57.5
19:00 to 23:00	(+0.2)	(-1.1)	(-0.4)	(+0.2)	(-0.4)	(+1.1)	(-1.5)
Golden Time	① 12.1	9.0	9.6	6.6	7.6	+2.5	59.8
19:00 to 22:00	(+0.4)	(-1.1)	(-0.5)	(+0.3)	(-0.3)	(+0.9)	(-1.3)
Non-Prime Time	① 6.8	6.5	4.9	1.8	5.1	+0.3	34.5
All Day- Prime Time	(-0.5)	(+0.3)	(±0.0)	(±0.0)	(±0.0)	(-0.8)	(-0.7)
Platinum Time	① 6.3	5.6	4.2	3.0	3.8	+0.7	28.7
23:00 to 25:00	(-0.7)	(-1.1)	(-0.5)	(+0.2)	(-0.4)	(-0.4)	(-2.4)

*Source for household viewership (Kanto region): Video Research

Programming Strategy

1

Maintain Triple Crown and No. 1 in Platinum

2

Maintain core target strategy

3

Promote comprehensive channel strategy

4

**Fully leverage regular programs
Value maximization of time table**

Results of April 2017 Programming Improvements

1

Changes to Monday Golden Time and Prime Time construction

◎Connect “Sekai Marumie Tokusobu” and “Jinsei Ga Kawaru Fukaii Hanashi” to create a better program flow that strengthens Monday viewership

◎Household ratings: “Ariyoshi Seminar” +0.3% vs Jan cour

“Sekai Marumie Tokusobu” +0.9% vs Jan cour

“Jinsei Ga Kawaru Fukaii Hanashi” +0.3% vs Jan cour

“World’s Shocking News” moved to Tuesday 9pm

2

“Konkurabe” moved to Wednesday 9pm

◎Household ratings

▪ Moving “World’s Shocking News” to Tuesday 9pm slot resulted in

Apr cour average rating of 11.8%, +2.2% vs Jan cour

▪ Wednesday 9pm “Konkurabe” was -1.7% vs Jan cour

Wednesday declined slightly; however, after moving to the GP zone, marked 13.2%, a record for the program on 7/5

3

Switch Saturday 9pm Saturday drama with 10pm “Arashi Ni Shiyagare”

9pm “Arashi Ni Shiyagare” +2.5% vs Jan cour

10pm Saturday drama +0.1% vs Jan Cour

◎“Arashi Ni Shiyagare” ratings increased, while Saturday drama declined slightly; however, dramas renew every cour, which will boost awareness of the timeslot

Viewer Ratings 2017

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FY2017 1Q Consolidated Financial Results

The increase of Nippon TV sales, Hulu subscribers, and consolidation of ACM pushed net sales up. Profits decreased due to non-broadcasting revenue decline, higher maintenance costs for Shiodome building, and depreciation increase related to new equipment. Share of Hulu content fees also increased, pushing profits lower.

(Unit: Millions of Yen)	FY2016 1Q	FY2017 1Q	% change
Net Sales	100,854	103,287	2.4
Operating Profit	14,393	12,160	(15.5)
Recurring Profit	16,203	15,155	(6.5)
Net Income attributable to owners of the parent	11,374	10,047	(11.7)

Nippon TV Holdings Consolidated Results – Segment Information

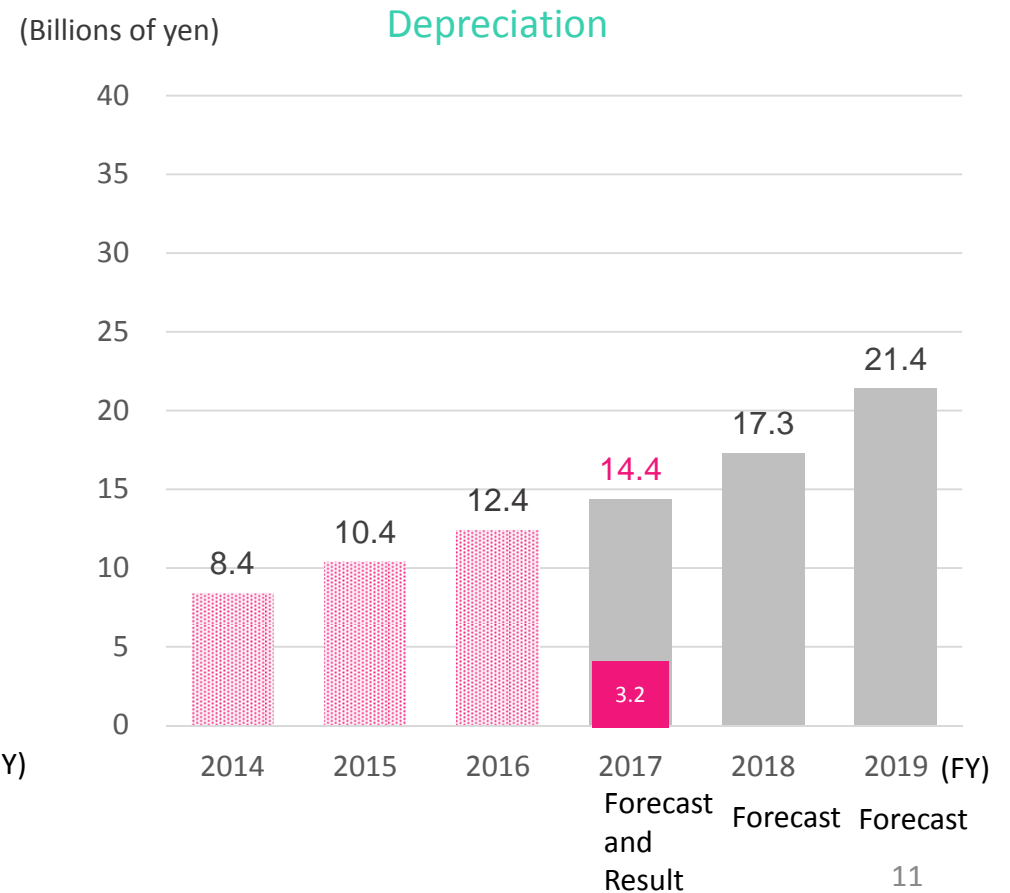
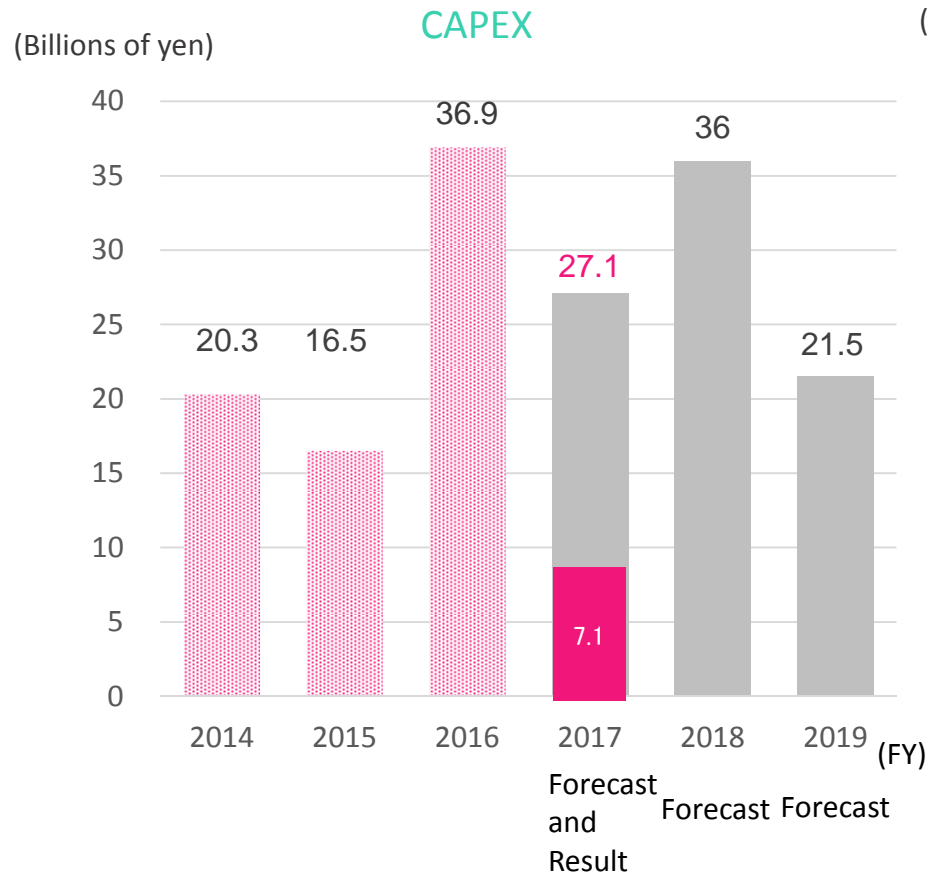
FY2017 1Q (Unit: Millions of yen)	Segmentation				Other	Total	Adjustment	Consolidated Year to Date Total
	Media Content Business	Life and Health- Related Business	Real Estate Business	Total				
Net Sales	92,668	9,329	2,438	104,437	1,242	105,679	(2,392)	103,287
Segment Profit	11,314	145	906	12,367	8	12,376	(215)	12,160

Segmentation	Main businesses
Media Content business	Sales of TV advertising, pay TV business, Video On Demand, video and music royalty revenue, sales of package media, TV-shopping, movie business, events and art exhibitions, content production business and theme park business
Life and health-related business	Operation of fitness clubs
Real estate business	Rental offices, building management

※ACM (new consolidated firm) will be included in the Media Content business

CAPEX & Depreciation

FY2017 1Q (Unit: Billions of yen)	CAPEX	Depreciation
	7.1	3.2



Viewer Ratings 2017

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Forecast for FY2017

Nippon TV Non-Consolidated Results

Broadcasting revenue increased due to strong viewer ratings, non-broadcasting revenues increased due to events and other businesses. Operating profits decreased due to higher maintenance and repair expenses at Shiodome headquarters, increase in depreciation expenses due to equipment renewal, and increase in project-related costs.

Dividend income increased and recurring profits increased.

Net income declined due to lack of extraordinary income (compensation income) posted in the previous term.

(Unit: Millions of Yen)	FY2016 1Q	FY2017 1Q	% change
Net Sales	75,690	76,489	1.1
Operating Profit	12,462	11,433	(8.3)
Recurring Profit	14,092	14,309	1.5
Net Income	10,305	10,102	(2.0)

TV Advertising Revenue (Nippon TV)

(Unit: Millions of Yen)	FY2016 1Q	FY2017 1Q	% change
TV Advertising Revenue	62,541	62,892	0.6
Time	28,249	29,198	3.4
Spot	34,292	33,694	(1.7)

Time Sales and Spot Sales YoY Comparison

Time	FY2016 (%)	FY2017 (%)	Spot	FY2016 (%)	FY2017 (%)
April	4.5	6.5	April	8.6	1.7
May	1.2	(0.2)	May	7.2	0.0
June	3.5	4.2	June	7.9	(7.2)

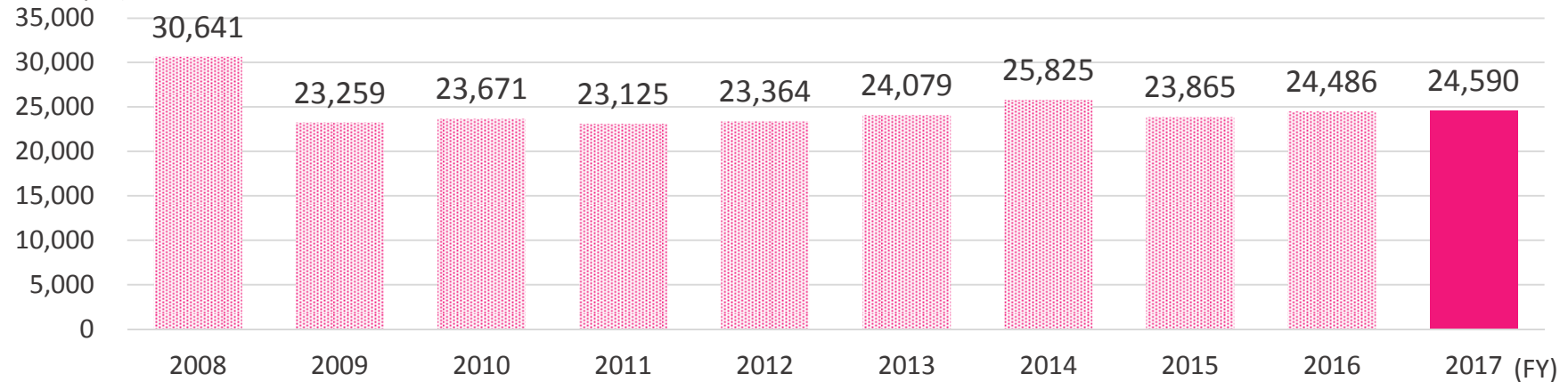
Production Costs (Nippon TV)

(Unit: Millions of yen)

FY2016 1Q	FY2017 1Q	% change
24,486	24,590	0.4

Production Costs (1st Quarter)

(Millions of yen)



Events/Content Business Sales and Costs

(Unit: Millions of Yen)		FY2016 1Q	FY2017 1Q
BS, CS, CATV, Other	Sales	2,357	2,444
	Costs	1,040	1,096
	Balance	1,317	1,347
Rights	Sales	494	543
	Costs	312	132
	Balance	182	411
Media Commerce	Sales	1,754	1,687
	Costs	1,644	1,621
	Balance	110	67
Movies	Sales	2,046	1,909
	Costs	1,700	1,655
	Balance	346	254

(Unit: Millions of Yen)		FY2016 1Q	FY2017 1Q
Events	Sales	1,085	1,858
	Costs	938	1,742
	Balance	147	116
International Business	Sales	692	373
	Costs	257	192
	Balance	434	181
Other	Sales	1,334	1,383
	Costs	1,262	1,420
	Balance	73	(37)
Total	Sales	9,762	10,197
	Costs	7,153	7,858
	Balance	2,609	2,339

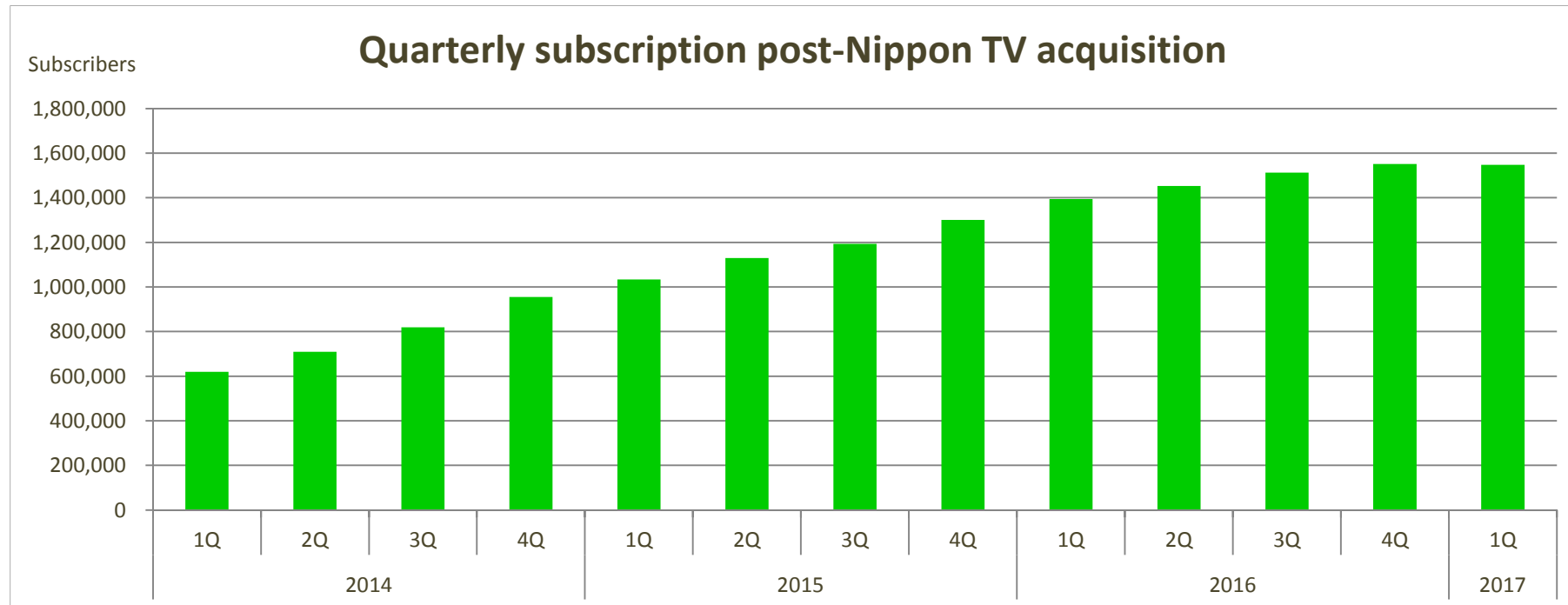
Financial Highlights of Group Companies

In millions of yen, rounded down	BS Nippon Corp.	CS Nippon Corp.	NTV Technical Resources Inc.	NTV AX-ON	NTV EVENTS Inc.	Nippon Television Art Inc.	Nippon Television Music Corp.	VAP Inc.
Net Sales	3,863 (3.1%)	1,194 (-2.1%)	2,597 (-1.5%)	5,490 (2.4%)	613 (1.9%)	1,920 (1.1%)	2,818 (8.5%)	3,517 (6.8%)
Operating Profit	324 (28.3%)	237 (-10.5%)	-5 (—)	223 (-9.7%)	-2 (—)	67 (62.6%)	364 (6.8%)	147 (3.4%)
Recurring Profit	332 (26.9%)	239 (-10.5%)	1 (—)	227 (-9.6%)	-1 (—)	69 (61.7%)	405 (8.5%)	177 (-3.1%)
Net Income	227 (27.6%)	165 (-10.5%)	1 (—)	151 (-15.1%)	-1 (—)	47 (62.2%)	289 (9.3%)	137 (-14.3%)

In millions of yen, rounded down	NTV Service Inc.	Nippon Television Work 24 Corp.	Forecast Communications Inc	NitteleSeven	NTV IT Produce Corporation	TATSUNOKO PRODUCTION Co., Ltd.	HJ Holdings	TIPNESS Limited
Net Sales	901 (16.9%)	1,028 (3.1%)	910 (31.6%)	818 (-33.2%)	343 (-25.2%)	448 (39.5%)	4,355 (13.6%)	9,329 (-0.4%)
Operating Profit	17 (21.6%)	37 (58.8%)	24 (94.1%)	43 (-58.4%)	-8 (—)	7 (354.9%)	-1,104 (—)	525 (-37.4%)
Recurring Profit	22 (16.4%)	24 (-3.4%)	54 (133.0%)	43 (-58.4%)	-12 (—)	8 (339.1%)	-1,094 (—)	453 (-40.6%)
Net Income	14 (12.2%)	15 (14.7%)	36 (224.7%)	29 (-58.7%)	-14 (—)	-45 (—)	-1,094 (—)	319 (-40.1%)

※ % chg will not be provided if prior or current year is a loss.

HJ Holdings



■ As of June 2017, **1,547,812 subscribers** ※-3,783 vs March 2017, the first decrease post-Nippon TV acquisition
→ **Cancelations occurred temporarily due to system renewal but currently stabilized**

■ As of May 2017, Hulu implemented a system renewal.

Ⓐ Seccession from US Hulu system Ⓑ Multi-Profile Ⓒ Recommend function enhancement during searches Ⓓ Live streaming and smart phone compatibility Ⓔ Tighten content protection

■ In July 2017, newly allocated shares to third parties, namely Hulu, LLC (US Hulu), Yahoo Japan, TOHO, Yomiuri TV, and Chukyo TV

→ produce and acquire appealing content, as well as strengthen promotional activities

Viewer Ratings 2017

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Forecast for FY2017

Consolidated Financial Forecast

(Unit: Millions of yen)	FY2016 Result	FY2017 Forecast	% change
Net Sales	416,704	425,000	2.0
Operating Profit	52,526	48,000	(8.6)
Recurring Profit	58,130	53,000	(8.8)
Net Income	40,786	36,000	(11.7)

* Unchanged from previous forecast

Reference Materials for Financial Results

Net Sales - Nippon TV -

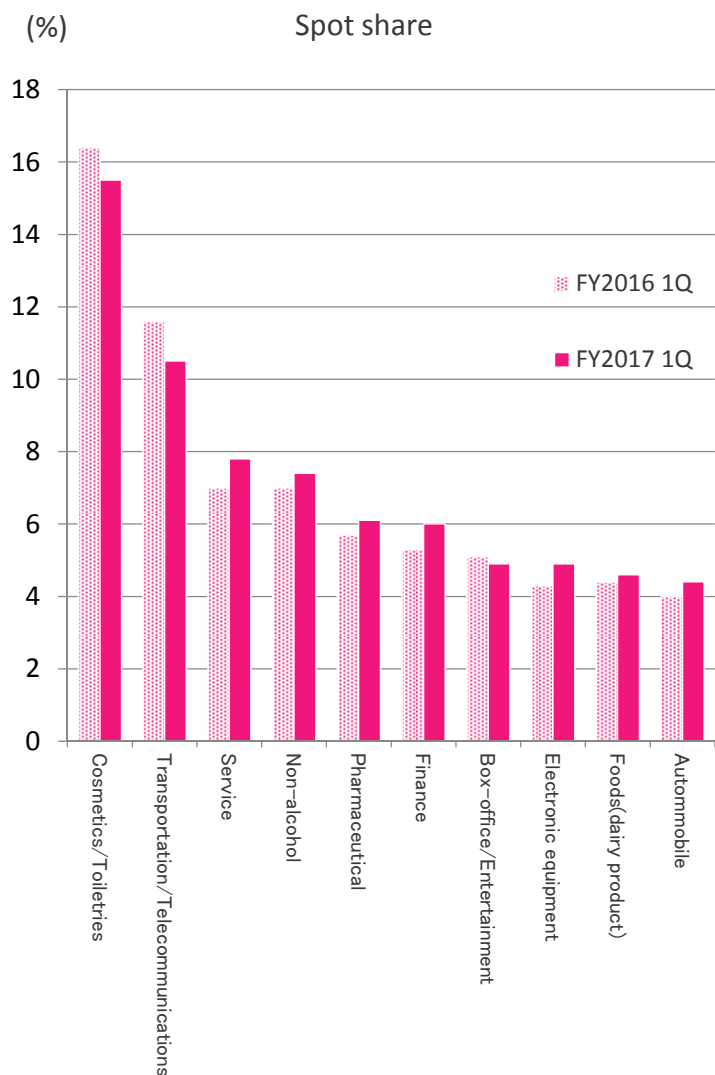
(Unit: Millions of yen)	FY2016 1Q	FY2017 1Q	% change
TV advertising revenue	62,541	62,892	0.6
Program sales	2,842	2,885	1.5
Events/Content business sales	9,762	10,197	4.5
Real estate business	543	513	(5.5)
Total	75,690	76,489	1.1

Operating Expenses - Nippon TV -

(Unit: Millions of yen)	FY2016 1Q	FY2017 1Q	% change
Production costs	24,486	24,590	0.4
Program distribution costs to network affiliates	7,551	7,864	4.1
Agency commission	10,693	10,657	(0.3)
Personnel	5,704	5,798	1.6
Depreciation and amortization	1,747	1,946	11.4
Events/Content business costs	7,153	7,858	9.9
Other	5,889	6,340	7.6
Total	63,227	65,056	2.9

Spot Sales

Terrestrial Broadcasting (Nippon TV)



	FY2016 1Q	Share	% chg	FY2017 1Q	Share	% chg
1	Cosmetics/ Toiletries	16.4	(3.2)	Cosmetics/ Toiletries	15.5	(7.2)
2	Transportation/ Telecommunications	11.6	18.8	Transportation/ Telecommunications	10.5	(11.5)
3	Non-alcohol	7.0	10.4	Service	7.8	10.6
4	Service	7.0	23.4	Non-alcohol	7.4	4.5
5	Pharmaceutical	5.7	7.6	Pharmaceutical	6.1	5.1
6	Finance	5.3	18.0	Finance	6.0	11.0
7	Box-office/ Entertainment	5.1	20.3	Box-office/ Entertainment	4.9	(5.8)
8	Foods (process food, health)	4.4	21.3	Electronic equipment	4.9	11.7
9	Foods (dairy product)	4.4	17.2	Foods (dairy product)	4.6	4.3
10	Electronic equipment	4.3	12.7	Automobile	4.4	8.3

* % changes are versus the same period last year and are tracked internally.

Annual Viewer Ratings

January 2, 2017 – July 23, 2017

	Nippon TV	EX	TBS	TX	CX	Difference between EX (YoY)	HUT
All Day	① 8.2	7.3	6.2	2.8	5.7	+0.9	40.6
6:00 to 24:00	(-0.2)	(-0.1)	(+0.2)	(-0.1)	(-0.3)	(-0.1)	(-0.4)
Prime Time	① 11.9	10.0	9.8	6.2	7.7	+1.9	58.1
19:00 to 23:00	(±0.0)	(-0.7)	(+0.1)	(-0.1)	(-0.7)	(+0.7)	(-1.1)
Golden Time	① 12.2	9.6	9.9	6.6	7.8	+2.3	60.4
19:00 to 22:00	(+0.1)	(-0.8)	(+0.1)	(±0.0)	(-0.5)	(+0.6)	(-0.8)
Non-Prime Time	① 7.2	6.6	5.2	1.8	5.1	+0.6	35.6
All day- Prime Time	(-0.2)	(+0.2)	(+0.3)	(-0.1)	(-0.2)	(-0.4)	(-0.2)
Platinum Time	① 6.6	5.9	4.4	2.7	3.8	+0.7	29.0
23:00 to 25:00	(-0.5)	(-1.1)	(-0.3)	(-0.2)	(-0.6)	(+0.6)	(-2.5)

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: January 4, 2016 – July 24, 2016

Movie Lineup for 2017

☆ : Nippon TV is lead organizer

Date	Title	Distributor
Aug 19 th	HiGH & LOW THE MOVIE 2	SHOCHIKU
Sep 1 st	TORI GIRL	Showgate
Sep 9 th	☆ Before We Vanish	SHOCHIKU NIKKATSU
Oct 21 st	☆ Psychic Kusuo	SONY
Nov 3 rd	☆ We Love Television?	NIKKATSU
Dec 9 th	☆ DESTINY Kamakura Story	TOHO

Event Lineup for 2017

Date	Event
Apr 8th – Sep 24th	The Art of Disney - The Magic of Animation
July 28th – Sep 10th	Baitoru presents “Team Lab Jungle and Future Park”
Sep 2nd – Sep 24th	DEATH NOTE THE MUSICAL
Oct 25th – Nov 12th	Sister Act
Jan 23rd – Apr 1st 2018	Bruegel: 150 Years of an Artistic Dynasty